

Bankers traditionally invest considerable time and expertise in setting foreign exchange rates, applying a complex multi-factorial analysis involving an intimate understanding of relative currency stabilities. The present invention as applied to FX in effect appropriates this expertise and makes the product of that expertise widely available to enable a fast, efficient, transparent, fair and cheaper FX process.

Because this system facilitates the direct matching of counterparties, the reduction of settlement risk is a potential advantage. Where this advantage is realised, global foreign currency settlement risk is reduced.

In another embodiment, the system handles the sale of contractual rights; and in a further embodiment, the sale of tangible property.

In a second aspect of the present invention, there is provided a computer based system which enables a party and a counterparty of financial property to be efficiently matched, comprising a first computer terminal into which the party inputs details of a potential first transaction, a second computer terminal into which the counterparty inputs details of a potential reciprocal transaction which is in whole or part reciprocal to the potential first transaction, and a computer network connecting the first and second terminals; characterised in that the party and the counterparty are either corporations including financial institutions and/or individuals.

Conventionally, corporate or individual buyers and sellers of financial property have necessarily traded in financial property using the intermediary of a financial institution. As noted above, the presence of such intermediaries results in additional cost burdens being placed on corporate or individual buyers and sellers,

which is economically inefficient. Those inefficiencies are eliminated with direct trading of financial property as envisaged in the present invention between corporate or individual buyers and sellers.

5 In a further aspect, there is provided a method of obtaining foreign exchange for a party, comprising the steps of:

- (i) the party defining a foreign exchange requirement using a web browser;
- (ii) sending the requirement via the internet to a server; and
- (iii) processing that requirement in relation to a mid-point between a bid price and an offer price, each price established by reference to data substantially independent of the party.

In another aspect, there is a method of computing the amount of foreign exchange available to a party comprising the steps of:

- (i) receiving from the party a foreign exchange requirement; and
- (ii) processing that requirement in relation to a mid-point between a bid price and an offer price, each price established by reference to data substantially independent of the party.

20 In a penultimate aspect, there is a server programmed to process a requirement for foreign exchange to be supplied to a party, using a mid-point between a bid price and an offer price, each price established by reference to data substantially independent of the party.

25 In a final aspect there is a computer terminal acting as a client, in which the client accepts from a party a foreign exchange requirement and sends that requirement to a server as defined in the preceding paragraph.

Brief Description of the Figures

The invention will be described in more detail with reference to:

Figure 1 which is a diagram representing the bid/offer pricing for USD priced in CAD;

Figures 2A, 2B and 2C which is a table showing how a FX "netting hybrid" system can operate in conjunction with the present invention;

Figures 3A and 3B, which are schematic depictions of a computer based system according to this invention which enables buyers and sellers of foreign exchange to be efficiently matched; and

Figure 4, which is a schematic representing the key steps in the inventive system as applied to FX matching.

Detailed Description

The fundamental innovation of calculating and using, for a transaction between a specific party and counterparty, a mid-point price calculated using the best sell and buy prices established by a market (and which are therefore independent of the specific buyer and seller) can be used in many conventional business models. The skilled implementer will therefore readily appreciate that this innovation can be applied to many different conventional systems, whether web-based or requiring personal interaction (such as telephone brokerage systems). For example, web-based or telephone based stock/share trades could be offered on the basis of both the conventional 'best available buy or sell, plus charges', or alternatively, at the mid-point, plus significantly lower charges. Very often, the latter will offer the best overall value. Adapting a conventional web-based or telephone system to calculate the mid-points and (if relevant) determine a spread about the mid-point, is readily achieved once access to the raw data from which the mid-points are calculated. In